

# **First Time Bidders Information**

## **Explain the auction process**

IRS auctions are conducted generally as “live” auctions where the bidders are physically present to bid. Occasionally an auction is conducted as a “Sealed Bid” where all bids are mailed, and then opened at the same time.

The type of auction is always announced as part of the sale notice.

## **What is a mail- in bid?**

A mail in bid is a courtesy to those that can not attend the physical auction. While not present for every sale, it allows a bidder to place their bid, which is then incorporated into the actual auction. The conditions present for a mail-in bid are spelled out on the bid form.

## **What’s the difference between a sealed bid and a mail-in bid?**

The sealed bid is a specific type of auction where all bids are mailed. Mail-in Bids are used as part of the live auction, where the bids can be raised by those actually attending the physical auction.

## **What is being sold?**

What is sold is the rights, title, and interest of the person/entity from whom the asset was seized to the asset being offered. The sale is conducted subject to any senior encumbrance.

## **What’s an encumbrance?**

An encumbrance is something that attaches to the asset, be it a loan on a car, a mortgage on a house, a judgment, or a tax lien.

## **How do I found out about the encumbrances?**

For each sale the auctioneer creates a Notice of Encumbrances which lists out what possible encumbrances were found during our research. While we can not guaranty its accuracy, it is a good faith search in an effort to provide the bidder with the information.

## **Do I have to pay all the encumbrances in addition to my bid?**

The winning bidder is only responsible for those encumbrances that fall senior to the IRS’s lien position.

## **What is a senior encumbrance?**

A senior encumbrance is a party that has protected their interest on the particular assets. Common senior encumbrances to the Notice of Federal Tax Lien include: Property Taxes, Mortgages, and Vehicle Loans

## **How do I determine who is senior?**

While we will not advise you on such matters the Notice of Encumbrance will give you information such as when the encumbering documents were filed, which is often a good indicator of who is senior to whom.

## **The only items on the Notice of Encumbrance are Notices of Federal Tax Lien.**

### **Do I have to pay those?**

The Notices of Federal Tax Lien are the documents that the government filed to protect it’s interest in the seized parties assets. The sale of the asset is being done to secure funds to pay down those liabilities. The winning bid is applied to the liability and the sold asset is discharged from those Notices of Federal Tax Lien.

### **Can I Pay by Credit Card or Personal Check?**

No, the terms of sale generally are for certified funds or cash.  
Payment terms are spelled out in the Notice of Sale

### **Can I bid, and then pay later?**

As a general answer, no. The terms of the sale are announced as part of the sale notice.  
If a deferred payment is to be allowed, the terms will be stated as part of that notice of sale.  
The auctioneer will make an announcement at the time of the sale of any changes to the terms of payment.  
The most common announcement is to allow for up to an hour to remit the payment subsequent to the auction's conclusion.

### **How do I get the items I bid on?**

All assets are sold "where is" and "as is". Once the sale, and its terms are concluded the asset is yours.  
Further storage or moving becomes the responsibility of the winning bidder.

### **Will you ship the item to me?**

No, the assets are sold "where is" and "as is"

### **Can I buy items before the auction?**

No, the auction is the procedure that the government has for selling seized items.

### **Can I bid online?**

No.

Unless announced as part of the sale, auctions cannot be bid online as we often times are at remote locations not conducive to having a computer running.

### **Can I phone in a bid?**

No.

Unless specifically announced as part of the Notice of Sale, this is not an option

### **What is a minimum bid?**

To protect the Government's and the entity from whom the asset was seized, a minimum figure is established for each sale or asset which must be reached for the sale to be finalized.

### **Is the minimum bid announced?**

It is at the discretion of the auctioneer as to if the minimum bid is announced.  
There is no requirement to do so.

### **How do I know how much to bid?**

It is up to each bidder to determine the value of the item being sold, as it is their money being spent.

### **Will you tell me what the high mail in bid is?**

At the physical auction, the starting point will be any raises on the high mail in bid. That is determined immediately prior to the start of the sale, and will not be shared prior to the start.

### **What condition is the asset in?**

Because of the amount of sales each auctioneer is currently working, they are often limited to the same information which has already been distributed. Bidders are encouraged to attend the physical viewing to form their own opinion on the condition of the asset being sold.

All seized property is sold under the following statement.

*All property is offered for sale "where is" and "as is" and without recourse against the United States. No guaranty or warranty, express or implied, is made as to the validity of the title, quality, quantity, weight, size, or condition of any of the property, or its fitness for any use or purpose. No claim will be considered for allowance or adjustment or for rescission of the sale based on failure of the property to conform with any expressed or implied representation.*

### **How do I bid at the live auction?**

The bid process is geared toward the auctioneer asking for an amount. The most common way to bid is to raise your bidder number to acknowledge that you would be willing to buy it at that price.

### **Can I just come to the auction to watch?**

The auction is open to the public, so please feel free to come and observe. Please remember though, only registered bidders are allowed to actually bid.

### **How do I register to Bid?**

We ask that you bring your driver's license, and we will enter contact information on the registration form.

### **What happens if the item does not sell?**

If the item does not sell, the auctioneer has three options

1. Bid the item in for the government
2. Adjourn the sale for a period not longer than 30 days
3. Give the item back to whom it was seized from.

## **Vehicle Questions**

### **What Kind of Title Do I Get?**

We do not issue titles, as that is a state function. Rather, the transferring document is a Certificate of Sale. This is accompanied by an odometer statement for the sales of motor vehicles. These two documents are what are taken to your local DMV.

### **Do Dealers attend the auction?**

We get all types of bidders attending the auction, depending on what is being sold. For some this is their 100<sup>th</sup> auction, for others it is their first.

## **Real Estate Questions**

### **What is the right of redemption?**

For 180 days after the sale the party from whom the property was seized can "redeem" the property by remitting the purchase price, plus a 20% per annum amount.

### **Can I do anything to the property during the right of redemption?**

Since a deed will not be issued until the 180 days have expired without redemption, it would be at your own financial risk.